

Message Text

CONFIDENTIAL

PAGE 01 PRAGUE 01342 131036Z

15

ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 L-03 TRSE-00 FCSC-01 OMB-01 FBO-01

A-01 SS-20 NSC-07 CIAE-00 INR-10 NSAE-00 RSC-01 IO-14

SSO-00 NSCE-00 INRE-00 DRC-01 /097 W

----- 009670

O 131000Z JUN 74

FM AMEMBASSY PRAGUE

TO SECSTATE WASHDC IMMEDIATE 6393

C O N F I D E N T I A L PRAGUE 1342

E.O. 11652: GDS

TAGS: PFOR, EFIN, L/C, CZ, US

SUBJECT: CLAIMS NEGOTIATIONS

REF: PRAGUE 1330

1. SUMMARY. IN INFORMAL MEETING OF CHAIRMEN AFTERNOON JUNE 12, ZANTOVSKY REVIEWED STATE OF NEGOTIATION, CONCLUDING THAT, WHILE FORMAL LEADERSHIP APPROVAL WAS STILL BEING PROCESSED, THERE WAS NO QUESTION THAT SUBSTANTIVE AGREEMENT WAS IN HAND. HE PROPOSED THAT DRAFTING BEGIN JUNE 17. END SUMMARY.

2. ZANTOVSKY CONFIRMED THAT, OF QUESTIONS DEALT WITH THIS WEEK, LUMP SUM AND NUMBER OF PAYMENTS WERE FULLY SETTLED. HE WENT ON TO SAY THAT THERE IS SOME DISTRESS OVER INCLUSION OF UNCONDITIONAL PAYMENTS ACCELERATOR CLAUSE, GIVEN ORIGINAL CONNECTION BY CZECHS (AS WITH HUNGARIANS) TO MFN. SINCE CZECHS HAD ABANDONED BASIC MFN LINK, THEY HAD NOT EXPECTED US TO RETAIN UNTIED ACCELERATOR. THEY WERE, IN FACT, STILL IN FAVOR OF ACCCELERATOR TO OPERATE ONCE TRADE WAS "NORMAL," BUT FOREIGN TRADE MINISTRY WAS NOT HAPPY WITH PRESENT PROVISION. ZANTOVSKY WAS, HOWEVER, CATEGORICAL THAT THIS WAS NOT STICKING POINT BUT HE WAS, IN EFFECT, THROWING HIMSELF ON US MERCY FOR SOME AMELIORATION IF WE FELT ABLE. HAVING ALREADY SAID THAT US PROPOSALS WERE FINAL, WORTZEL ASKED ZANTOVSKY WHETHER PROBLEM MIGHT BE DEALT WITH BY ONE-YEAR SUSPENSION OF USE OF ACCELERATOR CLAUSE, I.E.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PRAGUE 01342 131036Z

THAT ACCELERATOR WOULD OPERATE FROM SECOND ANNYAL PAY-

MENT. ZANTOVSKY BELIEVED THAT THIS WOULD BE APPRECIATED.

WORTZEL POINTED OUT THAT HE HAD NO IDEA WHETHER SUCH ADJUSTMENT WAS POSSIBLE, AND ZANTOVSKY EMPHASIZED THAT WHILE CZECHS WOULD APPRECIATE SOME SUCH GESTURE, THEY WERE NOT SETTING CONDITIONS.

3. ON SURPLUS PROPERTY, ZANTOVSKY DISCUSSED WORDING OF REVERSION PROVISION FOR INTEREST PAYMENTS, BUT SAID THAT THERE WAS NO SUBSTANTIVE ISSUE ON SURPLUS PROPERTY.

4. WITH ASSURANCE THAT FORMAL GOVERNMENT APPROVAL WAS ONLY FORMALITY -- AND LIKELY TO BE GRANTED BY JUNE 17 -- ZANTOVSKY PROPOSED THAT DRAFTING BEGIN NEXT MONDAY, JUNE 17. WE WOULD THUS APPRECIATE FABIAN KWIA TEK RETURNING TO PRAGUE BY THAT DATE IF POSSIBLE. ZANTOVSKY EXPRESSED VIEW THAT DRAFTING CAN BE COMPLETED QUICKLY, ESTIMATING THAT TEXT CAN BE INITIALED BEFORE END OF JUNE.

5. WE WOULD APPRECIATE DEPARTMENT'S JUDGMENT ON POSSIBILITY OF MINOR ADJUSTMENT IN ACCELERATOR SUCH AS DISCUSSED IN PARA 2 ABOVE.

6. REQUEST KWIA TEK ETA AS SOON AS POSSIBLE.
WORTZEL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: DEBT REPAYMENTS, NEGOTIATIONS, PROPERTY WAR CLAIMS
Control Number: n/a
Copy: SINGLE
Draft Date: 13 JUN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: boyleja
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PRAGUE01342
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740153-0072
From: PRAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740648/aaaabpae.tel
Line Count: 86
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: PRAGUE 1330
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 17 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 APR 2002 by kelleyw0>; APPROVED <23-Sep-2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CLAIMS NEGOTIATIONS
TAGS: PFOR, EFIN, CZ, US
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005